

**FIRST 5 VENTURA COUNTY
ADMINISTRATION/FINANCE COMMITTEE
MINUTES**

October 7, 2016

Present: Commissioner Mantooth, Kara Ralston, Joseph Richards

Staff Present: Jennifer Johnson

Guest Speaker: Cindy Fanning, Fanning & Karrh, CPAs

I. Call to Order/Welcome/Introductions

Commissioner Mantooth began the meeting at 9:37 a.m.

II. Approval of Minutes from June 3, 2016 and September 2, 2016

A motion was made by Kara Ralston, seconded by Joseph Richards, to approve the minutes from the June 3, 2016 and September 2, 2016 meetings. The motion carried unanimously.

III. Approval of Agenda

A motion was made by Joseph Richards, seconded by Kara Ralston, to approve the agenda. The motion carried unanimously.

IV. Public Comments

There were no public comments.

V. Presentation and Review of FY 2015/16 Audit

Cindy Fanning, an auditor from the firm conducting the FY 2015/16 audit for the Commission was welcomed to the meeting. Jennifer Johnson began the presentation with an overview of significant events in FY 2015/16 and provided context for the financial statements. Jennifer reviewed the financial statements, providing highlights and explanations for variances from the prior year. Jennifer provided highlights from the Notes to the Financial Statements. Jennifer also reviewed variances on the budget to actuals.

Cindy provided an overview of the audit and stated that the opinion was unmodified, commonly referred to as a clean opinion. Cindy noted that there were no unadjusted errors. Cindy discussed the new budgetary comparison schedule for the Sustainability Fund. Cindy referred to the Report on Internal Controls and noted there were no control deficiencies or material weaknesses. Cindy reported on the expanded audit report, which is required for local First 5 Commissions relative to compliance with state laws and regulations, noting compliance in all areas.

Cindy stated that in accordance with the Statement on Auditing Standards, she is required to go over certain items with the Committee and will follow-up with a letter to the Committee. She stated that the auditors' responsibility under the generally accepted auditing standards is to perform an audit to obtain reasonable but not absolute assurance. She explained that the accrual numbers are based on estimates and changed when the final invoices and/or expense reports are received. Cindy stated there were no disagreements with management

during the audit, there were no consultations with other independent accountants that she was aware of, and there were no difficulties.

Cindy stated that the audit went smoothly and staff was acknowledged for their work on the audit. In accordance with audit requirements, staff was asked to leave the room by the Committee for a closed discussion about the audit.

A motion was made by Kara Ralston, seconded by Joseph Richards, to receive and file the draft audit as presented. The motion carried.

VI. Review of Funded Program Spending Levels as of June 30, 2016

Jennifer Johnson provided a report on program spending levels as of June 30, 2016. Jennifer reported that programs continue to achieve higher levels of spending and that most programs are spending or nearly spending their full allocation. Jennifer reviewed the report and provided explanations as to the variances.

VII. Update on Commission Activities

Jennifer Johnson reported that the Commission, in collaboration with the Ventura County Office of Education (VCOE), has submitted a federal grant to conduct a feasibility study for Pay for Success (PFS), an innovative contracting model that drives government resources toward high-performing social programs. This study would explore the viability of using a PFS approach to expand high-quality preschool to the nearly 50 percent of children in Ventura County who do not currently have access to quality preschool. The application requests \$400,000 over a 24 month period that would begin in FY17/18. As a subrecipient of VCOE, if awarded, F5VC would contract with vendors that specialize in this work to assess needs, evaluate the cost-benefit and child outcomes, and identify potential payer sources for preschool.

Jennifer provided an update on the resource development assessment and reported on tobacco-related legislation. Jennifer distributed copies of the audit engagement and the audit letter that describes the auditor's role and responsibilities, which was discussed at the last meeting.

VIII. New Business/ Miscellaneous

There was no new business.

IX. Closure

Commissioner Mantooth closed the meeting at 10:37 a.m.

X. Next Meeting

Friday, November 4, 2016, 9:30 am – 11:30 a.m. at First 5 Ventura County
(This meeting was subsequently cancelled)